

The Redevelopment Authority was created in May 2004 to oversee and coordinate various projects in Tax Increment District #5. TID #5 is the downtown redevelopment district, covering much of the downtown properties on Main and Union Streets as well as some adjacent properties along Church, Maple, and Madison Streets.

The last few months have been rather slow for the board for the Redevelopment Authority. They continued to hold their monthly meetings, but there was very little to discuss on the agenda. The Redevelopment Authority had already accomplished most everything that had been planned for the downtown redevelopment district.

The TID #5 Project Plan listed 22 specific projects which may be grouped into 4 general categories. Much has been successfully accomplished over the last five years:

1. Infrastructure on Union, Exchange, and East Main Streets – approximately \$2 million was spent on these improvements. This included re-aligning the intersection of Exchange (now South Union) and East Main Streets, the local share of the US Highway 14 reconstruction, water main and sanitary sewer replacement, and enhancements such as sidewalks, decorative street lights, and burying electric lines.
2. Infrastructure on Main Street through the downtown – approximately \$1.5 million was spent on these improvements. This included replacing water main and sanitary sewer through the downtown on Main and Maple Streets. It also included enhancements such as decorative streetlights, salvaging and reusing the historic brick pavers, and installing benches and bike hitches. A \$400,000 grant covered the majority of the enhancement expenses. The bridge on East Main Street is still scheduled for replacement in 2010.
3. Development Assistance – approximately \$1 million was provided as grants, loans, or forgivable loans to leverage an additional \$2.5 million in private development to date. Redevelopment projects have been at the Grange Building and Evansville Pharmacy, Badger Coach Building, Pete's Inn, Nelson Young Lumberyard, the Eager-Economy Building, Matthias James Pottery, 16 West Main Street, and site preparation for future development at the intersection of Main and Union Streets. Rehabilitation of fire and flood damaged properties were included in three of the projects.
4. Administrative Costs – approximately \$120,000 in legal and fiscal expenses for activities of the district have been covered by the district.

A financial audit of TID #5 is scheduled for spring 2009.

Very little of the projects identified in the TID #5 Project Plan now remain. As mentioned earlier, the bridge on East Main Street is scheduled for replacement in 2010. This project is currently being overseen by the Public Works Committee. There is about \$200,000 available for infrastructure projects not originally contemplated by the Project Plan.

And there is \$500,000 budgeted for pay-as-you-go development assistance. Often, when using tax increment financing to assist a private development directly, the city will front the costs of the assistance to enable the development and then recoup the money from the increased property taxes paid by the completed development. Under a pay-as-you-go arrangement, the developer instead fronts the cost of the assistance and is later rebated the increased property taxes. Since such an arrangement is less risky from the city's point of view, it may justify more money to the developer. But since pay-as-you-go financing is more complicated, it takes a special project to make it attractive.

With no immediate need for the Redevelopment Authority to continue meeting on a regular basis, it recommended and the City Council approved suspending the Redevelopment Authority. The suspension allows flexibility to revive the Redevelopment Authority if needed in the future for issue of lease revenue bonds, modification of TID #5, facilitating some future project in the downtown area, or assisting a pay-as-you-go development.

Continued downtown revitalization is one of the priorities of the City's Economic Development Plan. So it is likely the Redevelopment Authority will be revived in the future. But for now, it is a matter of declaring victory with the TID #5 Project Plan successfully completed.